
THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH

ONSET FINANCIAL, INC., a Utah
corporation,

Plaintiff,

v.

FUTURE LEGENDS LLC, a Nevada limited
liability company, JEFF KATOFSKY,
TRUSTEE OF KATOFSKY FAMILY
TRUST, and JEFF KATOFSKY, an
individual,

Defendants.

**MEMORANDUM DECISION AND
ORDER DENYING [36] DEFENDANTS'
MOTION FOR RECONSIDERATION**

Case No. 2:24-cv-00133-DBB-CMR

District Judge David Barlow

Magistrate Judge Cecilia M. Romero

Onset Financial, Inc. (“Onset”) sued Future Legends LLC (“Future Legends”), Jeff Katofsky, Trustee of Katofsky Family Trust (“Katofsky Trust”), and Jeff Katofsky (collectively, “Defendants”) on January 11, 2024 in the Third Judicial District Court of Salt Lake County.¹ On February 22, 2024, Defendants removed the case to federal court.² On May 16, 2024, Onset moved for summary judgment for damages based on Defendants’ alleged failure to pay amounts owed under lease and guaranty agreements, as well as for a writ of replevin and injunction regarding the leased property.³ The motion is currently pending before the court. On October 15, 2024, Defendants filed a notice with the court, stating that Future Legends 5, LLC—a non-party—filed for chapter 11 bankruptcy.⁴ As such, on October 16, 2024, the court issued a docket

¹ Notice of Removal, ECF No. 1, filed February 22, 2024.

² *Id.*

³ Pl.’s Mot. Summ. J. (“Pl.’s Mot.”), filed on May 16, 2024, ECF No. 22.

⁴ Notice of Filing Pet. for Relief Under Chapter 11 of the U.S. Bankruptcy Code (“Bankruptcy Petition”), ECF No. 34, filed on October 15, 2024.

text order staying proceedings against Future Legends 5, LLC but noting that the stay does not apply to the remaining parties—namely the Defendants.⁵

On October 17, 2024, Defendants filed a motion for reconsideration. The motion does not state the rule under which it is being filed or analyze the reconsideration factors. Instead, it states that “Future Legends 5, LLC owns a portion of the Future Legends Complex,” and that this case seeks debts and recovery of assets that are owned and controlled by Future Legends 5, LLC.⁶ On November 12, 2024, Defendants disclosed that “no parent corporation or publicly held corporation own[s] 10% or more of Future Legends” and disclosed its members.⁷ Absent from that list was Future Legends 5, LLC.

Under 11 U.S.C. §§ 103(a), 362(a), an automatic stay applies to the debtor and property of the debtor’s estate. The bankruptcy petition solely listed Future Legends 5, LLC as the debtor and did not mention any party to this case.⁸ “Unless the bankruptcy court expressly extends the stay to others, it applies by its literal terms only to the debtor.”⁹ “The party seeking to invoke an extension of the stay [under § 105(a)] must affirmatively seek an order from the bankruptcy court.”¹⁰ Defendants have not done so.

Although Defendants did not submit a reply brief in support of their Motion for Reconsideration, they did attach an order by the U.S. Bankruptcy Court for the District of

⁵ Docket Text Order, ECF No. 35, dated October 16, 2024.

⁶ Defs.’ Mot. for Reconsideration, ECF No. 36, filed on October 17, 2024.

⁷ Defs.’ Resp. to Order to Show Cause, ECF No. 42, filed on November 12, 2024.

⁸ Bankruptcy Petition, Ex. 1, Voluntary Petition for Non-Individuals Filing for Bankruptcy.

⁹ *In re Vector Arms, Corp.*, No. 15-cv-21039, 2015 WL 8999261, at *6 (Bankr. D. Utah Dec. 11, 2015) (quoting *Fisher Sand & Gravel Co. v. W. Sur. Co.*, No. 09-cv-00727 WPL-RLP, 2009 WL 4099768, at *4 (D.N.M. 2009); see also *In re Bednar*, No. 15-11916, 2016 WL 3475633, at *2 (Bankr. W.D. Okla. Jan. 22, 2016), *aff’d*, No. AP 18-01096, 2019 WL 3928844 (B.A.P. 10th Cir. Aug. 20, 2019); *Lynch v. Johns–Manville Sales Corp.*, 710 F.2d 1194, 1196–97 (6th Cir. 1983) (citing cases where automatic stay not extended to guarantors, co-debtors, partners, or joint tortfeasors).

¹⁰ *In re Vector Arms, Corp.*, 2015 WL 8999261, at *6 (quoting *C.H. Robinson Co. v. Paris & Sons, Inc.*, 180 F. Supp. 2d 1002, 1018 (N.D. Iowa 2001)).

Nevada, which granted a temporary restraining order enjoining a third party from repossessing certain equipment leased to Future Legends, LLC.¹¹ Notably, “[n]o party appeared at the hearing or filed an objection to the motion.”¹² If Defendants seek an order extending the stay to others, they must file the appropriate motion in bankruptcy court.

ORDER

Defendants’ Motion for Reconsideration is DENIED.

Signed November 21, 2024.

BY THE COURT

A handwritten signature in black ink, appearing to read 'David Barlow', written over a horizontal line.

David Barlow
United States District Judge

¹¹ See *In re Future Legends 5, LLC*, Case No. 24-AP-51031-HLB (Bankr. D. Nev. Nov. 7, 2024).

¹² *Id.* at 4.